Functioning of Public Sector Banks

1469. SHRI ANANTRAY DEVSHANKER DAVE: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to liberlise the functioning of public Sector Banks;

(b) if so, the details thereof and the guidelines issued in this regard to promote Public Sector Banking System;

(c) the guidelines issued by Government in regard to overseas visits by Chief Executive of Banks; and

(d) the details thereof, bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The Government had constituted a Committee on the Financial System under the chairmanship of Shri M. Narasimham to examine all aspects relating to the structure, organisation, functions and procedures of the financial system. Pursuant to the recommendations of the Committee several policy initiatives have been taken. These include reduction in the Statutory Liquidity Ratio (SLR), Cash Reserve Ratio (CRR) simplification of interest rate structure, prescribing of norms in respect of capital adequacy, income recognition and provisioning requirements, revision of guidelines for branch licencing, etc. Furthermore with a view to improve the viability and financial health of the nationalised banks, a provision of Rs. 5,700 crores has been made in the budget for the current year (1993-94). The nationalised banks will be required to enter into agreements with the Reserve Bank of India for restructuring their operations including areas such as staff productivity, asset management and education of non performing assets as a pre-requisite for the release of this additional share capital.

(c) and (d) No specific guidelines have been issued by Government with regard to the overseas visits by Chief Executives of banks. However, requests from chief executives of banks for overseas visits are examined on a case-by-case basis after taking account factors such as the purpose of the visit, duration of the visit, likely benefit that would accrue to the bank, etc.

Banks to Open New Savings Bank Accounts

1470. CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it has come to the notice of Government that the banks which have computerised their operations in their branches in Delhi are refusing to open new savings bank accounts;

(b) if so, whether there is any proposal to direct such banks to open new Savings Bank Accounts in their branches; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) No such complaint has been received by the Government.

(b) and (c) Do not arise.

Foreign Competition in Life Insurance and General Insurance

1471. SHRI BHUPINDER SINGH MANN: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to allow foreign competition in the field of Life Insurance and General Insurance so as to improve efficiency and remove corruption and malpractices which the choicest customers are at present subjected to;

(b) if so, by when; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE OF THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) A Commitee

headed by Shri R. N. Malhotra, former Governor of Reserve Bank of India, was set up by the Government of India in April 1993 to suggest reforms in the Insurance Sector aimed at introducing a more competitive environment subject to suitable regulation and supervision. The Committee will consider, among other things, the issues raised in the Question. The recommendations of the Committee which are expected shortly, will be considered by the Government of India thereafter.

Free Import of Consumer Goods by 1996-97

1472. SHRIMATI KAMLA SINHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to free all consumer goods imports from physical controls by 1996-97; and

(b) if so, what are the implications of this proposed policy on the Indian consumer goods industry and the tax structure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Rationalisation of customs duties and import policies for consumer goods with a view to a tariff-cum-OGL import has been incorporated in a Discussion Paper. However, no policy decision has yet been taken.

(b) Does not arise.

Outstanding Overdues of Agricultural Loans in Andhra Pradesh (A.P.)

1473. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) what are the total outsanding overdues of agricultural loans advanced by commercial banks in untur and Prakashan Districts of A.P.;

(b) Since how long they are overdue;

(c) what is the total number of defaulters in this regard; and

(d) the details thereof Mandal Tehsilwise of these two districts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) The date reporting system does not generate Mandal Tehsil-wise information in respect of the defaulters and the amount of overdues of advances extended by banks to them. However, the total amount of demand, recovery made out of the same and the amount of overdues outstanding in respect of crop loans advanced by banks in the Districts of Guntur and Prakasham in Andhra Pradesh during the year ending June 1992 latest available was as under:

(Amount Rs. in lakhs)

	Demand	Recovery	Overdues
Guntur . .	13951	4953	8998
Prakasham .	11853	6598	5255

The age-wise break-ups of the overdue amount mentioned above are given below:

(Amount Rs. in lakhs)

	Below 1 year	1—3 year	3 years above	Total Overdues
Guntur . .	3730	1743	3555	8998
Prakasham .	1427	2891	937	5255

Earning of Financial Control on Nationalised Banks

1474. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to ease its financial control on nationalised banks in the country;

(b) if so, the facts and details thereof;